

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

67

W-02527A
Graham County Utilities Inc.
PO Drawer B
Pima, AZ 85543

RECEIVED

MAR 17 2010

ARIZONA CORP COMM
Director Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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3.22.10 Lhm

COMPANY INFORMATION

Company Name (Business Name) Graham County Utilities, Inc. – Water Division

Mailing Address PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

928-485-2451

Telephone No. (Include Area Code)

928-485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russeb@gce.coop

Local Office Mailing Address PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

928-485-2451

Local Office Telephone No. (Include Area Code)

928-485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russeb@gce.coop

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☐ **Management Contact:** Russ Barney Finance Manager

(Name)

(Title)

PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

928-485-2451

Telephone No. (Include Area Code)

928-485-9491

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russeb@gce.coop

On Site Manager: Steve M. Lines

(Name)

PO Drawer B

(Street)

Pima

(City)

Arizona

(State)

85543

(Zip)

928-485-2451

Telephone No. (Include Area Code)

928-485-9491

Fax No. (Include Area Code)

928-651-6024

Cell No. (Include Area Code)

Email Address slines@gce.coop

Statutory Agent: Leven B. Ferrin

(Name)

1536 Cherokee Lane

(Street)

Safford

(City)

Arizona

(State)

85546

(Zip)

928-428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Michael M. Grant

(Name)

2575 East Camelback Road

(Street)

Phoenix

(City)

Arizona

(State)

85016-9225

(Zip)

602-530-8000

Telephone No. (Include Area Code)

902-530-8500

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address MMG@gknet.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|-------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--------------------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	37,708		37,708
302	Franchises			
303	Land and Land Rights	22,507		22,507
304	Structures and Improvements	638,853	201,270	437,583
307	Wells and Springs	601,750	107,434	494,316
311	Pumping Equipment	234,586	159,151	75,435
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	1,098,561	652,912	445,649
333	Services	376,203	143,547	232,656
334	Meters and Meter Installations	162,784	72,480	90,304
335	Hydrants	66,848	29,844	37,004
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	13,058	12,383	675
344	Laboratory Equipment			
345	Power Operated Equipment	90,548	72,392	18,156
346	Communication Equipment	7,846	7,846	0
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	494,236	115,932
	TOTALS	3,961,420	1,953,495	2,007,925

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	37,708		
302	Franchises			
303	Land and Land Rights	22,507		
304	Structures and Improvements	638,853	4.0	20,060
307	Wells and Springs	601,750	4.0	22,391
311	Pumping Equipment	234,586	4.0	10,459
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	1,098,561	4.0	38,078
333	Services	376,203	4.0	11,770
334	Meters and Meter Installations	162,784	4.0	6,220
335	Hydrants	66,848	4.0	2,119
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	13,058	14.6	1,901
344	Laboratory Equipment			
345	Power Operated Equipment	90,548	10.0	8,263
346	Communication Equipment	7,846	20.0	0
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	4.0	24,407
	TOTALS	3,961,420		145,668

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$44,557	\$46,596
134	Working Funds		
135	Temporary Cash Investments	107,506	102,350
141	Customer Accounts Receivable	5,938	7,430
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	58,290	63,411
162	Prepayments	5,561	5,346
174	Miscellaneous Current and Accrued Assets	16,006	23,654
	TOTAL CURRENT AND ACCRUED ASSETS	\$237,858	\$248,787
	FIXED ASSETS		
101	Utility Plant in Service	\$2,835,775	\$3,961,420
103	Property Held for Future Use		
105	Construction Work in Progress	1,199,438	133,006
108	Accumulated Depreciation – Utility Plant	1,807,827	1,953,495
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$2,227,386	\$2,140,931
	TOTAL ASSETS	\$2,465,244	\$2,389,718

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$11,031	\$4,991
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	104,998	254,762
235	Customer Deposits	8,435	8,455
236	Accrued Taxes	14,218	14,222
237	Accrued Interest	13,805	6,068
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$152,487	\$288,498
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$2,091,016	\$1,965,184
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$2,243,503	\$2,253,682
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$2,500	\$2,500
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	219,241	133,536
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$221,741	\$136,036
	TOTAL LIABILITIES AND CAPITAL	\$2,465,244	\$2,389,718

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$602,856	\$636,320
460	Unmetered Water Revenue		
474	Other Water Revenues	3,820	3,760
	TOTAL REVENUES	\$606,676	\$640,080
	OPERATING EXPENSES		
601	Salaries and Wages	\$129,631	\$140,265
610	Purchased Water		
615	Purchased Power	24,545	54,545
618	Chemicals		
620	Repairs and Maintenance	56,960	43,436
621	Office Supplies and Expense	15,427	16,592
630	Outside Services	8,679	13,623
635	Water Testing	6,406	10,418
641	Rents	7,112	21,975
650	Transportation Expenses	36,165	35,001
657	Insurance – General Liability	15,290	8,342
659	Insurance - Health and Life	44,051	40,317
666	Regulatory Commission Expense – Rate Case	1,015	1,650
675	Miscellaneous Expense	33,815	48,793
403	Depreciation Expense	117,516	145,668
408	Taxes Other Than Income	13,519	15,478
408.11	Property Taxes	20,543	21,469
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$530,674	\$617,572
	OPERATING INCOME/(LOSS)	\$76,002	\$22,508
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$1,450	\$40
421	Non-Utility Income	3,974	2,722
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(107,718)	(110,975)
	TOTAL OTHER INCOME/(EXPENSE)	\$(102,294)	\$(108,213)
	NET INCOME/(LOSS)	\$(26,292)	\$(85,705)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4	LOAN #5	LOAN #6
Date Issued	11/1/1989	6/30/1993	12/20/1996	10/10/1998	11/15/2000	3/1/2007
Source of Loan	CFC	USDA	USDA	AEPCO	USDA	USDA
ACC Decision No.	56660	59132	59132	61056	60523	61839
Reason for Loan	Purchase Water Company	Pima Upgrade	Cottonwood Wash Upgrade	Bryce Upgrade	Ft Thomas Upgrade	New Wells & Tank
Dollar Amount Issued	\$1,054,461	\$180,000	\$300,000	220,000	95,000	1,100,000
Amount Outstanding	\$388,352	\$139,884	\$246,049	\$25,667	\$85,932	\$1,079,300
Date of Maturity	9/30/2014	11/1/2028	11/30/2031	12/10/2010	11/15/2040	3/1/2047
Interest Rate	7.0%	5.0%	4.5%	0.0%	4.5%	4.125%
Current Year Interest	\$28,314	\$7,085	\$11,195	\$0	\$3,898	\$44,792
Current Year Principle	\$81,818	\$3,355	\$5,005	\$22,000	\$1,286	\$12,100

Meter Deposit Balance at Test Year End	\$ 0
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Meter Deposits Refunded During the Test Year	\$ 0
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COMPANY NAME	Graham County Utilities, Inc. – Water Division	
Name of System:	FT THOMAS	ADEQ Public Water System Number: 05-001

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
Schedule Attached						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	16	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
45,000	1	4,000	1
90,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Graham County Utilities, Inc. – Water Division	
Name of System:	FT THOMAS	ADEQ Public Water System Number: 05-001

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	CA,PVC,Steel	2,561
3	CA,PVC,Steel	300
4	CA,PVC,Steel	4,711
5		
6	CA,PVC,Steel	36,269
8	CA,PVC,Steel	16,363
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	104
3/4	
1	2
1 1/2	1
2	4
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Chlorination

STRUCTURES:

Chlorination Building 8'X12' FT Thomas, AZ

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Graham County Utilities, Inc. – Water Division		
Name of System: FT Thomas	ADEQ Public Water System Number: 05-001	

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	111	742	1,153	
FEBRUARY	110	722	835	
MARCH	110	732	712	
APRIL	113	899	975	
MAY	114	1,304	1,604	
JUNE	114	1,393	1,486	
JULY	116	1,653	2,157	
AUGUST	114	1,834	1,446	
SEPTEMBER	114	1,397	1,248	
OCTOBER	115	1,474	1,688	
NOVEMBER	110	1,065	959	
DECEMBER	111	793	782	
TOTALS →		14,008	15,045	

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.)

Schedule Attached

If system has fire hydrants, what is the fire flow requirement? 250 __ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(☒) Yes (☐) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☐) Yes (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(☐) Yes (☒) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Graham County Utilities, Inc. – Water Division		
Name of System: FT Thomas	ADEQ Public Water System Number: 05-001	

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	0	

OTHER (description):

All water customers also have electricity. We only shut off the electricity and not the water.

COMPANY NAME	Graham County Utilities, Inc. – Water Division
Name of System: Pima	ADEQ Public Water System Number: 05-002

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
Schedule Attached						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		53	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
475,000	1		
380,000	1		
190,000	2		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Graham County Utilities, Inc. – Water Division	
Name of System:	Pima	ADEQ Public Water System Number: 05-002

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	CA,PVC,Steel	33,044
3	CA,PVC,Steel	8,974
4	CA,PVC,Steel	36,456
5	CA,PVC,Steel	0
6	CA,PVC,Steel	66,618
8	CA,PVC,Steel	3,743
10	CA,PVC,Steel	31,024
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,073
3/4	
1	3
1 1/2	5
2	9
Comp. 3	
Turbo 3	
Comp. 4	1
Turbo 4	
Comp. 6	1
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

____ Chlorination

STRUCTURES:

____ Chlorination Building 8’X12’ Pima,AZ

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Graham County Utilities, Inc. – Water Division		
Name of System: Pima	ADEQ Public Water System Number: 05-002	

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,092	8,636	11,431	
FEBRUARY	1,094	7,697	9,836	
MARCH	1,093	7,648	9,841	
APRIL	1,099	9,719	9,875	
MAY	1,097	13,889	16,785	
JUNE	1,102	15,036	14,687	
JULY	1,099	17,517	19,814	
AUGUST	1,103	17,322	18,296	
SEPTEMBER	1,103	15,001	14,410	
OCTOBER	1,092	15,297	17,657	
NOVEMBER	1,097	11,191	11,207	
DECEMBER	1,092	9,136	8,157	
TOTALS →		148,089	161,996	

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.)

Schedule Attached

If system has fire hydrants, what is the fire flow requirement? 250 _ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(☒) Yes (☐) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☐) Yes (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(☐) Yes (☒) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:	Graham County Utilities, Inc. – Water Division		
Name of System:	Pima	ADEQ Public Water System Number: 05-002	

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	0	

OTHER (description):

All water customers also have electricity. We only shut off the electricity and not the water.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 21,689

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAR 27 2010

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	<u>Steve M. Lines</u> <u>General Manager</u>
COMPANY NAME	Graham County Utilities, Inc. – Water Division

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

COUNTY NAME Graham

MONTH MARCH

2010




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Graham County Utilities, Inc. – Water Division YEAR ENDING 12/31/2009

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual Federal Tax Liability	<u>N/A Tax Exempt</u>

State Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual State Tax Liability	<u>N/A Tax Exempt</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>(16,702)</u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u>(16,702)</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3-15-10
DATE

Steve m. Lines
PRINTED NAME

General Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 11 2010

ARIZONA CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Steve M. Lines General Manager
COMPANY NAME	Graham County Utilities, Inc. - Water Division

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 694,537

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 54,457
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Steve M Lines

SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

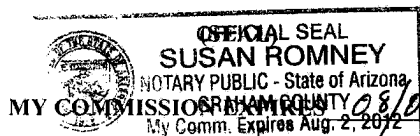
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

COUNTY NAME	<i>Graham</i>	
MONTH	<i>MARCH</i>	<i>2010</i>



Susan Romney

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAR 27 2010

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Utilities, Inc. - Water Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 551,937

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 48,557

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Steve M. Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

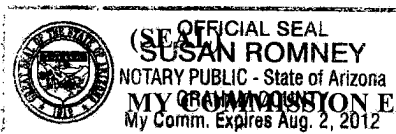
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME <u>GRAHAM</u>	
MONTH <u>MARCH</u>	20 <u>10</u>



MY COMMISSION EXPIRES

08/02/2012

Susan Romney
SIGNATURE OF NOTARY PUBLIC

Graham County Treasurer



Jean Reynolds
921 Thatcher Blvd.
Safford, AZ 85546
928-428-3440

User	Date	Year	Roll #	S/U	Book	Map	Parcel	S	TaxID	Pmt Date	Payment Info	Payment Amount	Payer	Description
Treas	10/30/2008	2008	16529	S	905	00	630			10/30/2008	Graham County Util	\$1,539.63	Owner Paid	Scanned Payment
Treas	10/30/2008	2008	16530	S	905	00	680			10/30/2008	Graham County Util	\$8,382.98	Owner Paid	Scanned Payment
Treas	10/30/2008	2008	16531	S	905	00	760			10/30/2008	Graham County Util	\$681.73	Owner Paid	Scanned Payment
Treas												\$10,604.34		

10/30/2008

Grand Total:

\$10,604.34
\$10,604.34
\$10,604.34

 GRAHAM COUNTY ELECTRIC CO-OPERATIVE, INC. P.O. DRAWER B PIMA, ARIZONA 85543 TELEPHONE 485-2451		 ARIZONA STATE CREDIT UNION 250 W. MAIN ST. SAFFORD, AZ 85546 91-7249 3221		REF. NO. 061954	
PAY TO THE ORDER OF JEAN REYNOLDS GRAHAM COUNTY TREASURER GRAHAM COUNTY CO-OPERATIVE SAFFORD, AZ 85546		EXACTLY TEN THOUSAND SIX HUNDRED FOUR DOLLARS AND 34/100		Date 10/30/2008 Check No. 061954	
		AMOUNT \$10,604.34			
NON NEGOTIABLE					

WARNING: THIS CHECK IS NOT VALID UNLESS IT IS SIGNED BY THE TREASURER.

Graham County Treasurer

Jean Reynolds
921 Thatcher Blvd.
Safford, AZ 85546
928-428-3440

Tax Payments by Date

10/30/200

User	Date	Year	Roll #	S/U	Book	Map	Parcel	S	TaxID	Pmt Date	Payment Info	Payment Amount	Payer	Description
Treas	10/30/2009	2009	16995	S	905	00	630			10/30/2009	Graham County Util	\$1,457.62	Owner Paid	Scanned Payment
Treas	10/30/2009	2009	16996	S	905	00	680			10/30/2009	Graham County Util	\$8,782.54	Owner Paid	Scanned Payment
Treas	10/30/2009	2009	16997	S	905	00	760			10/30/2009	Graham County Util	\$845.34	Owner Paid	Scanned Payment

Treas



\$11,085.50

10/30/2009

\$11,085.50

Grand Total:

\$11,085.50

 GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. GRAHAM COUNTY UTILITIES, INC. P.O. DRAWER 8 PIMA, ARIZONA 85543 TELEPHONE 485-2451		 ARIZONA STATE CREDIT UNION NO. 91-7249 280 W. MAIN ST. SAFFORD, AZ 85546 3221		063276	
PAY TO THE ORDER OF		Date		Check No.	
Eleven Thousand Eighty Five Dollars and Fifty Cents		10/30/09		63276	
JEAN REYNOLDS GRAHAM COUNTY TREASURER GRAHAM COUNTY COURTHOUSE SAFFORD, AZ 85546		NON NEGOTIABLE			
AMOUNT		\$*****11,085.50			

WARNING: Do not cash or deposit this check if you are not the named payee. If you are, you must sign the back of the check.

**GRAHAM COUNTY UTILITIES, INC. - WATER
YEAR ENDED DECEMBER 31, 2009
WATER COMPANY PLANT DESCRIPTION**

FT THOMAS WELLS 05-001

ADWR ID. NO.	PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING SIZE (INCHES)	WELL DEPTH (FEET)	YEAR DRILLED
55-605863	1	25	6	90	1998
55-606086	1.5	35	16	76	Pre 1989
55-606087	1	25	12	80	Pre 1989
55-809146	30	250	12	200	Pre 1989
55-212931	10	100	8	175	2005

PIMA WELLS 05-001

55-529642		5	25	12	196	1991
55-540458		5	65	12	200	1994
55-545487		5	55	12	189	1995
55-549470		5	65	12	217	1995
55-605850	CAPPED			4		Pre 1989
55-605851		1	25	6	100	Pre 1989
55-605852	CAPPED			6	100	Pre 1989
55-605853	CAPPED			6	250	Pre 1989
55-605854	CAPPED			4	100	Pre 1989
55-605855		1	0	6	100	Pre 1989
55-605856		3	35	12	290	Pre 1989
55-605857	CAPPED			4	100	Pre 1989
55-605858	CAPPED			16	32	Pre 1989
55-605859	CAPPED			5	100	Pre 1989
55-605860		1	15	6	100	Pre 1989
55-605861		1	25	4	100	Pre 1989
55-605862	CAPPED			5	100	Pre 1989
55-606081	CAPPED			1	585	Pre 1989
55-606082	CAPPED			6	100	Pre 1989
55-606084	CAPPED					Pre 1989
55-606085		3	45	12	255	Pre 1989
55-565863		3	25	12	220	Pre 1989
55-565864		3	35	12	220	Pre 1989
55-565865		5	65	12	220	1998
55-206721		7.5	70	10	700	2006
55-211780		30	250	12	620	2007
55-211778		20	200	8	342	2007
55-211778		30	250	12	589	2008

**GRAHAM COUNTY UTILITIES, INC. - WATER
YEAR ENDED DECEMBER 31, 2009
LEVEL OF ARSENIC BY WELL**

FT THOMAS 05-001

ADWR ID. NO.	PARTS PER BILLION
55-605863	17
55-606086	0
55-606087	0
55-809146	0
55-212931	0

PIMA 05-002

ADWR ID. NO.	PARTS PER BILLION
55-529642	13
55-540458	19
55-545487	17
55-549470	5.5
55-605851	5.7
55-605855	4.8
55-605856	10
55-605860	10
55-605861	3.9
55-605864	29
55-606085	66
55-206721	0
55-211780	3.5
55-211778	24
55-215997	0